



Frequently Asked Questions About Common Origination and Disbursement (COD)

Common Origination and Disbursement Basics

1. What is Common Origination and Disbursement (COD)?

The Common Origination and Disbursement Process is a new streamlined method for processing Direct Loan, Pell, and Campus-Based data. The COD System will integrate the origination and disbursement processes of the current RFMS and DLOS systems into one system, and also accept student level data for the Campus-Based programs.

2. Why is SFA implementing COD?

SFA's current system architecture is an entanglement of stovepipes and interfaces. SFA's systems were built over a period of years using a variety of software products, were built on several system platforms, and each system was built to support a single student aid program. The COD system is one piece of SFA's overall system modernization initiative, and also one way SFA can improve service to schools.

COD represents a migration of program-centric systems to a student-centric system. It will integrate the origination and disbursement functions of the DLOS and RFMS into one system which will: reduce the cost of system overhead, reduce redundant data collection, and create a more student-centric process for schools and SFA employees.

SFA is also building additional financial controls into COD to help ensure that Title IV funds are well managed. COD will include reports and tools that help schools reconcile timely and accurately, and let schools and SFA monitor funds more efficiently.

3. When will COD be implemented?

SFA will implement the COD System for the 2002-2003 award year.

4. I've heard that COD will start as a pilot and that participation is optional.

There is no pilot program for the COD System. The COD System will be the origination and disbursement system for all Title IV participating schools for the 2002-2003 award year. The current DLOS and RFMS systems will be replaced by the COD System for all schools. However, there are two categories of school participation in 2002-2003: full-participant schools and phase-in schools.

Full-participant schools are schools that send the common record format in XML format for 2002-2003 records and adopt the common record change process.

Phase-in schools are schools that are phasing into COD by continuing to send the RFMS and DLOS—legacy—record formats in 2002-2003. Phase-in schools will be COD schools and will see changes in processing even though they will continue to send legacy records.

All schools--full-participant and phase-in schools—will send records to COD and receive records back from COD. Full participant schools will interface directly with the COD by using the new



common record for sending and receiving. Phase-in schools will send their Pell and Direct Loan records to COD, too, but these records will be in the RFMS or DLOS format. SFA will use a software translation tool called middleware to convert the legacy RFMS and DLOS records into the common record. COD will then process the common record. COD will send legacy records back to phase-in schools using the middleware.

5. What is the latest date schools can become full-participant schools?

All schools must become full-participant schools for the 2004-2005 award year. This means that all schools, third party software providers, and third-party servicers must be able to send and receive the XML common record formats for the 2004-2005 award year.

6. What benefits will I see from the new COD process?

The COD System will offer schools several benefits, and flexibility in establishing processing parameters that meet individual school needs. The list below are some of the benefits the COD process will provide.

- ❖ *Student-centric view and less data to report.* All schools will be able to view a student's Direct Loan and Pell awards in a single screen view of the COD web interface. Full participant schools will not have to submit two complete records (with redundant student and school information) to report a student's Pell and Direct loan records. Full participant schools can report one record with all of the student's data.
- ❖ *Choice of "edit-only" or "pay now" options.* All schools will be able to send "edit-only" records, similar to current origination records, that will not push funding increases. Full-participant schools will also have access to the added streamlined process of being able to send a single record for each student that will process through all of the edits and trigger funding with no additional action by the school. The pay now option is like a combined origination and disbursement record.
- ❖ *Easier to send change records and correct data.* Schools will not have to send a complete record to report a change in one data element. Schools will be able to provide only the data they want to change along with a small number of student identifier data elements to ensure the change is made to the proper student. This is supported via batch and online. Only full-participant schools will receive this benefit.
- ❖ *Enhanced "POP" resolution for Pell.* The COD system will provide enhanced potential overaward project (POP) resolution, building on the multiple reporting record (MRR) process in the RFMS. COD will notify schools of potential Pell overawards and, depending on school action, "settle" the overaward by funding the appropriate school. Full-participant and phase-in schools will receive this benefit.
- ❖ *Enhanced Cash Management Tools.* The COD System will track and monitor school record reporting behavior and how quickly and accurately schools report records against their cash. SFA will inform SFA of their progress toward reporting disbursements within the current 30 day reporting requirement. Schools can chart their own progress using the same information SFA uses via the web. Full participant and phase-in schools will receive this benefit.
- ❖ *Easier to reconcile.* The COD System will enable earlier reconciliation by tracking and monitoring each school's drawdowns, reporting, data correction. This will enable SFA to proactively work with schools to avoid reconciliation problems. COD will provide schools with more reconciliation tools, such as scheduled and on-demand rosters by campus, student. Full-participant and phase-in schools will receive this benefit.



- ❖ *Enhanced web capabilities.* The COD System will build on the web success of RFMS and DLOS by expanding record reporting over the web. Full-participant schools will be able to report individual record changes to Pell or Direct Loan awards during the normal reporting period over the web without having to have administrative relief. Full participant schools will also be able to send records well in advance of the disbursement date and “trigger” funding by “releasing” the records if the data is still accurate. Schools will be able to confirm all of their pending records, or a subset via the COD web site.
- ❖ *School Options for full-participant schools.* The COD System will allow schools to control certain parameters that related to their COD access to information and processing. Examples include:
 - ✓ Setting a parameter to reject a record or correct data to continue processing (for example, Pell award amount)
 - ✓ Setting a parameter that tells SFA to print Direct Loan promissory notes on the school’s behalf

7. I’ve seen SFA presentations that talk about COD using new computer technology. What is the new technology?

SFA is incorporating a variety of technologies in the COD process that will speed transaction processing and provide other enhancements to schools. The highlights of the new technologies are:

- ❖ **XML:** Extensible Markup Language (XML) is the computer language COD will use for processing the common record and for web applications. XML uses data elements, like COBOL, BASIC, and other computer languages. But XML is more flexible and efficient. In COD, this flexibility will enable schools to send only the minimum amount of data elements required for a business action, rather than an entire fixed length record. XML is becoming the standard for FFEL processing, too. CommonLine 5.0 is projected to be an XML record.
- ❖ **Middleware/Electronic Application Interface (EAI):** COD will use middleware to translate, or convert, legacy RFMS and DLOS records into the XML record COD will process.
- ❖ **Real-time processing:** COD will process batch and on-line (web) transactions as they are received from schools rather than only a few times a day.
- ❖ **Queuing:** COD will use queuing technology to create work files, or queues, for COD customer service and SFA employees. As a part of each processing cycle, COD will create several categories of queues for customer service. These work queues will tell customer service and SFA which schools appear to be having difficulty reconciling, reporting records, or in danger of other potential funding issues. Customer service and SFA will work the queues by proactively contacting schools and providing assistance, if necessary.

8. I am not a Direct Loan school. I am a Pell and FFEL school. What benefits will COD provide to my business process since I still have two origination and disbursement systems for my Pell and my loans?

COD will provide opportunities for all schools to improve their Title IV program administration. For Pell schools, regardless of loan program participation, please see the COD benefits listed in the response to question 7.

In addition to the business process benefits, there are technical reasons to move to XML. XML is the emerging application language for student loan processing. The FFEL CommonLine 5.0



product will have an XML version, and it is likely that XML will become the standard language for FFEL systems. SFA consulted with FFEL community leaders to ensure that the Direct Loan data elements in the COD common record in concert with FFEL XML loan data elements.

Sending/Receiving Data in the COD environment and COD data edits.

9. Will schools send the same Direct Loan and Pell data to COD as they do to DLOS and RFMS?

Generally, schools will send the same Direct Loan and Pell data they now send to DLOS and RFMS. However, the student-centric nature of COD eliminates the need for schools to send redundant student identifier information. COD will link all of a student's Pell and Direct Loan data so only one set of identifier data is needed.

An important goal of SFA's modernization effort is make better use of school and student data already resident in SFA systems, or deriving it from other reliable data. This eliminates the need to collect the same student and school data multiple times for multiple systems. For COD, this means that a few data elements collected by RFMS and DLOS will no longer be collected by COD. An example is EFC. There is no EFC on the common record Pell block because the COD system will rely on the EFC in the CPS to determine the transaction number the school is paying on. COD will communicate with the CPS using middleware.

10. How will schools get prior year Pell and Direct Loan information once COD is implemented and RFMS and DLOS are retired?

SFA will migrate all RFMS (award years 1990-2000 through 2001-2002) data and DLOS data for years not closed in DLOS into COD so that schools will have to work with only a single system to request data and submit changes. Direct Loan data will continue to be available to schools in the Direct Loan Servicing System (DLSS) and in the National Student Loan Data System (NSLDS). Schools will be able to use the COD web site to request prior year RFMS and DLOS reports for years that have not closed. Schools will also be able to update prior year data through processes similar to current processes and legacy record formats.

11. Will the COD data elements and edits be the same for all programs?

The COD system will take advantage of commonality across programs to maximize the use of common data elements and edits. Student and parent recipient data, such as name, social security number, date of birth, and other non-program specific data will be stored once, so a student/recipient will have one identifier record in COD for all programs. Edits that relate to general schools and student eligibility will also be the same across programs. Program specific data, such as Direct Loan disbursement amounts, will have unique program data elements and edits.

12. If I send a Common Record with Direct Loan and Pell data, and the record fails the Direct Loan data, will my Pell still be paid?

Yes. Although schools can send one common record with all of a student's direct loan and Pell data, the unique Pell and Direct Loan edits that drive each program's funds are processed separately. This processing method prevents Pell funds being delayed because of a data discrepancy that affects only the Direct Loan or vice versa.



13. How will I correct data and record rejects in COD?

One of the XML flexibilities is a variable data element record. COD will use this flexibility in processing change records. Schools will be able to correct data by sending the new data element values along with the student identifier information to ensure the change is made to the correct student record.. Schools will be able to make individual student data corrections via batch mode or on-line through the COD web site.

14. RFMS does not store my rejected records, but DLOS does. Will COD store my Pell and Direct Loan rejected records?

Yes. Schools have asked SFA to store a history of Pell rejected records like the DLOS. COD will store a copy of all records submitted, the status of the processing, and resulting transactions back to schools. Schools will be able to view batch and record level detail via the COD web site.

15. Will I continue to receive batch level and record level acknowledgements that tell me if my records were accepted?

Yes. COD will generate two levels of acknowledgements back to schools:

- ❖ *Receipts* are COD communications back to schools that will acknowledge that a school's transmission was received,
- ❖ *Responses* are processing acknowledgements, similar to the current RFMS and DLOS acknowledgements, that will tell schools the details of the individual student level processing; i.e. rejected, accepted, accepted with corrections, etc.

16. How will I report my school's campus-based program data to COD?

Reporting Campus-Based program data to the COD System is optional. Schools that want to use COD to report their Campus-Based data will use the Common Record to report the data on a student level. Schools can report campus-based data as often as they like —whatever works best for a school's internal process. For example, a school could report data on a weekly or monthly basis or choose to wait until the end of the year and report just once.

17. Will SFA edit the student level Campus-Based data?

SFA will only confirm that the student has submitted an eligible CPS record.

18. What is the advantage of reporting campus-based data at the student level?

The COD system, will, at the school's option, complete portions of the FISAP for schools using the student level campus-based data schools report. COD will complete the income grid from CPS data, and the eligible applicant grid for schools that report "all enrolled data" the National Student Loan Clearinghouse. The COD system will also report Pell as requested on the FISAP.

19. Will I be able to send my Pell records to RFMS and my Direct Loan records to DLOS if I am not a full participant school in 2002-2003?

No. The RFMS and DLOS systems will be retired and replaced by the COD system for the 2002-2003 award year. Schools can send the RFMS and DLOS formats to COD, however. COD will



translate the RFMS and DLOS formats into the COD common record using the middleware described in the response to Question 7, above.

20. I use EDEExpress to package aid and send my Pell and Direct Loan records to the Department. What changes will I see in 2002-2003?

SFA's EDEExpress software product will not have a COD module for the 2002-2003 award year. EDEExpress schools will continue to send DLOS and RFMS record formats. The COD system will translate the DLOS and RFMS records into the COD common record using the middleware described in the response to Question 7, above. SFA plans to have EDEExpress directly support COD for the 2004-2005 award year.

21. I use a third party software product to package aid and send my Pell and Direct Loan records to the Department. What changes will I see in 2002-2003?

SFA has had several focus groups and meetings with software developers about becoming full-participant supporters for 2002-2003. If your software developer is one of the full-participant supporters for 2002-2003, SFA will work closely with your developer and your school during the development and first year implementation period. SFA has planned a series of training sessions, including COD process and COD Web functionality sessions, to ensure that COD is implemented smoothly. SFA will also produce a COD technical reference and other technical documentation to facilitate a smooth transition to COD. SFA also hosts a two day software developer conference each quarter to communicate changes and share ideas with software developers. One day of the next conference (August 9-10, 2001) will be devoted to COD topics. If you are interested in becoming a full-participant school in 2002-2003, we ask you to encourage your software provider to contact SFA.

If your software provider is not a full-participant supporter for 2002-2003, you will continue to use your current process, and any non-COD changes your software developer implements until your software provider becomes a full-participant supporter. All schools must be full-participants no later than the 2004-2005 award year.

22. My school uses a homegrown mainframe system to send records to the Department. We will not be able to send the common record for 2002-2003 records. How will we send and receive Pell and Direct Loan records until we convert over to COD?

Phase-in schools—schools that do not send the common record in 2002-2003—will continue to send the RFMS and DLOS record formats. COD will use middleware to translate the legacy records into XML common record formats for COD processing. All schools must convert their systems to send and receive the COD common record by the 2004-2005 award year.

23. Will COD change the ways schools receive funding for Pell and Direct Loans?

Schools can continue to receive funds the same way they do today. For example, Pell schools participating in the Pell Just-in-Time (JIT) program will participate in COD with the same JIT process. Advance pay schools will continue to have the ability to draw down funds prior to submission of detailed student records. However, SFA will monitor school drawdowns and record reporting using COD system data. SFA will use the COD system to inform schools of their progress toward reporting disbursements within the current 30-day reporting requirement.



Schools can chart their own progress using the same data SFA will use to check compliance with reporting requirements.

Preparing for COD

24. Will my school be able to test with COD prior to 2002-2003 implementation?

Yes. There will be a test environment available to all schools, third party software developers, and third party servicers. All schools are encouraged to test directly with the new COD system through their software providers and servicers. SFA's upcoming quarterly conferences with software developers will focus heavily on the COD testing process.

25. What kind of training will schools receive about how to use the new COD?

Schools will have the opportunity to participate in a variety of training for COD. SFA will offer COD process training sessions the day prior to each 2001 Electronic Access Conference (EAC) in Reno, NV; Chicago, IL; and Baltimore, MD. SFA will also offer training on the COD Web interface as well as a COD technical reference. We will also honor invitations to present at state and regional meetings.

26. When will training be provided for schools?

In addition to the training SFA will provide at each of the EAC conferences, SFA will provide training at SFA Regional Offices. To the extent possible, SFA will offer COD training in conjunction with other school training.

COD Support for Schools

27. How will the Department ensure quality customer service for COD schools. The last Pell and DL contract cutomers were more complicated than they had to be, largely because customer service reps could not answer questions very well at start-up.

SFA recognizes that contract cutovers and new system implementations are not successful unless quality customer service is provided at start-up. SFA is using lessons learned from the RFMS and DLOS implementations in designing the customer service component of COD. Here is the approach SFA is using to ensure a fully-developed COD customer service function is in place prior to system start-up:

- *Experienced student aid customer service partner:* AFSA Corp., a leader in student aid services, is SFA's partner in developing the customer service strategy and will serve as the COD customer service operations partner. Schools and SFA staff are assisting with the design of the customer service solution.
- *Sharing customer service resources during the transition:* AFSA is teaming with the current RFMS and DLOS operating partners to take advantage of customer service expertise and experience. RFMS and DLOS customer service representatives will staff a COD customer service transition team to prevent knowledge "gaps" as COD customer service deploys.
- *A team of AFSA staff and SFA staff will visit schools during the busy fall season.* AFSA intends to have an active user's group representing a cross section of schools.



COD customer service representatives will be assigned to schools, similar to the current Direct Loan CSR organization. COD customer service success will be measured partly in terms of how successful schools are in reconciling, timely record reporting, quality of service, degree to which answers are “pushed” to schools via the Web, resulting in the need for fewer calls, and other critical success factors. COD CSRs will have a number of tools that will alert them to risk areas so they can work with schools to prevent problems. A key tool will be the CSR queues. CSRs will receive work queues after each batch of records from a school is processed. The queues will tell CSRs the outcome of processing and alert schools to potential issues. For example, both schools and CSRs will have information on how many accepted, rejected, and corrected records were processed. Along with this data, the CSR will receive an automatic issue in their work queue if the number of rejected or corrected records exceeds a certain percentage. This production data will accumulate so that CSRs can see if a school is having difficulty with a particular kind of record—perhaps a high percentage of Pell award amount corrections. The CSRs can call the school to offer assistance based on this data. Schools will also be able to view their data through the COD web site.

28. Will reconciliation be the same under COD as it is under DLOS and RFMS?

One of SFA’s goals for COD is to enable smoother reconciliation for schools. The reconciliation process and requirements will not change, but there will be additional tools to help schools. SFA will continue to provide the RFMS year-to-date files and reconciliation files as well as the new combined DLSAS and 732 Report (now called the SAS). In addition, schools will have the capability to request ad hoc and on-demand reports to assist in reconciling on a more frequent basis.

29. My school wants to participate in COD for 2002-2003, but we know we will need a lot of support. What first-year implementation support could we expect if we decide to be first year full participants?

SFA will provide first year full-participant schools individual attention and support during COD implementation and first-year operations. Each school will have a dedicated SFA person to contact and work with. This SFA person will be responsible for resolving issues.

30. How do I let SFA know I am interested in being a full participant in 2002-2003?

Schools must let SFA know by 8/15/01 by calling, faxing, or sending an e-mail to SFA’s Customer Service Call Center. Call Center staff may be reached at 800-433-7327 from 9 a.m. to 5 p.m. EDT. The fax number is 202-260-4199. The e-mail address is sfa.customer.support@ed.gov. Based on conversation with the school, the Call Center will determine whether full participation is possible and then hand off the school to the COD team that will be working with full participants, if applicable.

31. How do I let SFA know I have more questions about COD?

Please see contact information above. All schools, whether or not they participate fully in 2002-2003, will be able to get answers to their COD questions. The Customer Service Call Center staff will be working closely with the COD technical and call center teams and other SFA staff to answer school questions, add the answers to the FAQs, and integrate new information into the Title IV Delivery customer service infrastructure.